

## Message Text

UNCLASSIFIED

PAGE 01 USUN N 00238 290111Z

ACTION IO-13

INFO OCT-01 EUR-12 ISO-00 EB-08 AID-05 ABF-01 TRSE-00  
OMB-01 L-03 CIAE-00 INR-07 NSAE-00 AF-08 ARA-10 EA-09  
NEA-10 SP-02 /090 W  
-----290118Z 101087 /73

P 290030Z JAN 77

FM USMISSION USUN NEW YORK

TO SECSTATE WASHDC PRIORITY 2188

INFO AMEMBASSY MOSCOW PRIORITY

UNCLAS USUN 0238

E.O. 11652: N/A

TAGS: UNDP, EAID

SUBJECT: UNDP 23RD GOVERNING COUNCIL -- TEXT OF WESTERN  
COUNTRIES' DRAFT CONCERNING NON-CONVERTIBLE CURRENCIES

1. THE FOLLOWING IS THE DRAFT PROPOSAL GENERALLY AGREED  
TO BY WESTERN COUNTRIES IN A DRAFTING SESSION JANUARY 27  
AND REPORTED IN SEPTEL.

2. QUOTE THE GOVERNING COUNCIL:

1. REAFFIRMS ITS CONCERN REGARDING THE CONTINUING ACCUMULATION  
IN THE TREASURY OF THE UN DEVELOPMENT PROGRAMME OF THE NOT-  
READILY-USABLE CONTRIBUTIONS PLEDGED BY SOME DONOR COUNTRIES,  
DESPITE INTENSIVE EFFORTS BY THE ADMINISTRATOR TO UTILIZE THEM FOR  
PROGRAMME ACTIVITIES, AS WELL AS ITS CONCERN THAT FURTHER  
ACCRETIONS TO PROGRAMME FUNDING RESOURCES OF CURRENCIES OF  
WHICH THE PROGRAMME ALREADY HAS AN ACCUMULATION WILL SEVERELY  
UNDERMINE FURTHER PRUDENT PROGRAMME PLANNING.

2. DECIDES THAT EXISTING ACCUMULATIONS OF NOT-READILY-USABLE  
CURRENCIES (AS INDICATED IN TABLE 3 OF DP/238), SHALL BE DEEMED  
TO BE AN UNDISTRIBUTED RESERVE AND THAT PROGRAMME PLANNING,  
THE ESTIMATE OF RESOURCES AVAILABLE TO THE PROGRAMME  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 USUN N 00238 290111Z

(INCLUDING COUNTRY, REGIONAL, INTER-REGIONAL AND GLOBAL  
ALLOCATIONS) AND EXPENDITURE CEILINGS SHALL NOT INCLUDE THE  
FUNDS HELD IN THIS RESERVE.

3. DECIDES THAT FUNDS IN THIS RESERVE SHALL BE TRANSFERRED  
TO THE GENERAL RESOURCES OF THE PROGRAMME BY THE ADMINISTRATOR,  
AT HIS DISCRETION, ON THE BASIS OF REALISTIC ESTIMATES OF

EXPENDITURES OF SUCH CURRENCIES AND THAT, HAVING DONE SO, THE ADMINISTRATOR SHALL REVISE ACCORDINGLY HIS ESTIMATE OF THE GENERAL RESOURCES AVAILABLE TO THE PROGRAMME AND THE EXPENDITURE CEILINGS, AND REPORT ANNUALLY TO THE COUNCIL THEREON.

4. URGES GOVERNMENTS TO CONTRIBUTE TO UNDP IN CURRENCIES READILY USABLE, OR CONVERTIBLE IN ACCORDANCE WITH REGULATION 6.4 OF THE FINANCIAL RULES AND REGULATIONS.

5. REQUESTS THE ADMINISTRATOR, IN HIS EFFORTS TO FIND APPROPRIATE METHODS TO EMPLOY THE ACCUMULATIONS OF NOT-READILY-USABLE CURRENCIES TO ADHERE STRICTLY TO FINANCIAL REGULATION 6.5 WHICH PROVIDES THAT VOLUNTARY CONTRIBUTIONS SHALL BE MADE WITHOUT LIMITATIONS AS TO USE BY A SPECIFIC PARTICIPATING AND EXECUTING AGENCY, IN A SPECIFIC RECIPIENT COUNTRY OR FOR A SPECIFIC PROJECT, AND THAT NO CONTRIBUTING GOVERNMENT SHALL RECEIVE SPECIAL TREATMENT WITH RESPECT TO ITS VOLUNTARY CONTRIBUTION NOR SHALL NEGOTIATION FOR THE USE OF CURRENCIES CONTRIBUTED TO UNDP TAKE PLACE BETWEEN CONTRIBUTING AND RECIPIENT COUNTRIES.

6. REQUESTS THE ADMINISTRATOR, WHERE, DESPITE HIS EFFORTS, NOT-READILY-USABLE CURRENCIES CONTINUE TO ACCUMULATE, TO ASSIGN THEM TO THE UNDISTRIBUTED RESERVE REFERRED TO IN PARAGRAPH 2 ABOVE.

7. REQUESTS THE ADMINISTRATOR TO BRING AGAIN TO THE ATTENTION OF THE GOVERNMENTS CONCERNED THE OFFER MADE BY ONE COUNTRY AT THE 22ND SESSION OF THE GOVERNING COUNCIL REGARDING THE POSSIBLE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 USUN N 00238 290111Z

ELIMINATION OF THE EXISTING ACCUMULATION OF NON-CONVERTIBLE CURRENCIES.

8. INSTRUCTS THE ADMINISTRATOR TO TAKE THE NECESSARY STEPS TO ENSURE THAT ALL PAYMENTS FOR GOODS AND SERVICES (INCLUDING THE PROVISION OF EQUIPMENT, SUB-CONTRACTS, TRANSPORT ETC.) RENDERED TO ALL UNDP-FINANCED PROJECTS BY ENTITIES HEADQUARTERED IN COUNTRIES OF WHOSE CURRENCIES THE UNDP HAS A NOT-READILY-USABLE ACCUMULATION, ARE PAID EXCLUSIVELY FOR SUCH SERVICES FROM THESE ACCUMULATIONS, AND THAT THE ADMINISTRATOR MAKE A DETAILED STATUS REPORT TO THE 24TH GOVERNING COUNCIL ON

- 1) THE MEASURES HE HAS TAKEN TO IMPLEMENT THIS REQUEST; AND
- 2) THE PROBLEMS, IF ANY, HE HAS ENCOUNTERED IN ITS IMPLEMENTATION.

UNQUOTE  
SHERER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LESS DEVELOPED COUNTRIES, CONVERTIBLE FOREIGN EXCHANGE, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 29-Jan-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977USUNN00238  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770032-0114  
**Format:** TEL  
**From:** USUN NEW YORK  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t1977015/aaaaadrj.tel  
**Line Count:** 112  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 482b71d9-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION IO  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 15-Sep-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3591680  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UNDP 23RD GOVERNING COUNCIL -- TEXT OF WESTERN COUNTRIES' DRAFT CONCERNING NON-CONVERTIBLE CURRENCIES  
**TAGS:** EAID, UNDP  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/482b71d9-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009